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FAIRWOOD HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 52)



PROFIT WARNING

This announcement is made by Fairwood Holdings Limited (the “**Company**”, together with its subsidiaries, collectively known as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2022 (the “**Year**”) and the information currently available to the Board, the Group expects to record a significant decline of approximately 70% in the profit attributable to Shareholders for the Year, as compared with that profit of approximately HK\$153.6 million for the year ended 31 March 2021 (the “**Prior Year**”).

The fifth wave of COVID-19 brought unprecedented challenges to the Hong Kong food and beverage sector in the last quarter of the Year. Stringent social distancing policies, suspension of restaurants’ business due to infections in frontline staff and negative market sentiment had an adverse impact on the Group’s revenue and resulting profit.

Across the border, the lockdown policies and dine-in restrictions implemented in Guangzhou and Shenzhen in March 2022 also affected the Group’s performance for the Year.

The Group received an aggregate sum of government subsidies of approximately HK\$272.5 million (including Employment Support Scheme subsidies of approximately HK\$183.2 million) during the Prior Year whereas such subsidies were reduced to approximately HK\$58.9 million in the Year and such reduction also led to a drop in profit for the Year.

The Company is still in the process of finalizing the Group's annual results for the Year. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Year and the information currently available to it, which have not been confirmed or reviewed by the auditors of the Company.

The Company's annual results announcement for the Year is expected to be published around the end of June 2022.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Fairwood Holdings Limited
Dennis Lo Hoi Yeung
Executive Chairman

Hong Kong, 24 May 2022

As at the date of this announcement, the Directors of the Company are:

Executive Directors: Mr Dennis Lo Hoi Yeung (Executive Chairman), Mr Lo Fai Shing Francis (Chief Executive Officer), Ms Mak Yee Mei and Ms Peggy Lee; and

Independent Non-executive Directors: Mr Ng Chi Keung, Mr Joseph Chan Kai Nin, Dr Peter Lau Kwok Kuen, Mr Peter Wan Kam To and Mr Yip Cheuk Tak.

Website: www.fairwoodholdings.com.hk